

**Approved**

# **Terminal Facilities and EIR Referral Issues Study Committee Airport Advisory Commission**

**Minutes for Meeting #9**

**May 27, 2004**

**MEMBERS**

**PRESENT**

Ron Salk  
Alan Fox  
Bruce Alton  
Bernhard Clever  
Douglas Haubert  
Bob Luskin  
Carol Soccio  
Deborah Veady  
Don Temple

**MEMBERS**

**ABSENT**

**STAFF**

**PRESENT**

Chris Kunze  
Dottie Jones  
Sharon Diggs-Jackson  
Ken Ashmore  
Wilma Johnson  
Dave Sansenbach  
Barry Denham

**OTHERS**

**PRESENT**

See Attached sign-in  
(Available on request)

**Call to Order**

Chair Ron Salk called the Study Committee to order at 6:15 p.m., at the Long Beach Energy Department.

**Roll Call**

Chris Kunze called roll and certified that a quorum was present.

**Minutes**

The minutes were not available for approval

**Approval of Agenda**

The agenda was approved as submitted.

**Chairman Salk Opening Statement**

Chairman Salk thanked the public for attending. Chairman Salk stated that the minutes are on record and are accessible on the Airport website [www.lgb.org](http://www.lgb.org), or request a copy from the Airport Administration Office.

Chairman Salk stated that the purpose of the minutes is to capture all of the comments to assist the Committee in making informed recommendations to the City Council. Chairman Salk stated that following presentations by JetBlue Airways, Long Beach Convention & Visitors Bureau, and LBHUSH2 there will be opportunity to ask questions, requested that questions be held until after each presentation. Chairman Salk stated that the hearings began last December, and that he set a format with the consent of the Commissioners, with the idea that there would be no time limit, meaning that everyone should/would be heard. He stated that nine meetings have been held and there has been ample opportunities to hear from all voices and to ask questions. Chairman Salk stated that speaking for himself, he has come away with the feeling that the concerns of the community, especially those who may not want to see improvements at the Airport, have legitimate concerns and the Commission will give serious weight to those concerns. He stated that the Commission comes with no bias to the hearings and that they are a diverse group who represent a broad spectrum. He

stated that the purpose of the hearings is to gather information so as to make an informed recommendation to the City Council. He stated that they have no authority other than making a recommendation, and that after the Airport has made recommendations at the June 17<sup>th</sup> meeting, the Commission will have an open discussion and make a recommendation to the City Council. He stated that he wants the public to know that no one is being rushed and that they want to hear all aspects.

Chairman Salk stated that Commissioner Soccio had complaints that because of talking in the audience, they could not hear some of the presentations and asked if conversation could be convened out of the meeting room.

Chairman Salk introduced the first speaker, Mr. Steve Goodling, Long Beach Convention and Visitors Bureau (CVB).

Mr. Goodling, stated:

As background, a survey was recently completed by Dr. Maggadino from Cal State Long Beach, which concluded that over night visitors to the City contribute approximately 7,500 jobs to the City, \$155 million in payroll, \$261 million in direct economic expenditures, \$13 million in bed tax or taxes charged for a overnight stay. He quoted the Mayor as saying that she bases the economy of Long Beach on three T's, Tours, Trade, and Technology, and he stated that the CVB is actively making the tourism component a vibrant component for the City. One of the things important to his business is the arrival and departure of guests, or the meeting planner. In his business the concern is the first impression and the last impression, and that those impressions are what help sign the deal or bring that convention into town. The CVB has previously presented what they would like to see the Commission recommend to City Council, which is one permanent terminal facility at the Long Beach Airport. He believes that the current facilities, the temporary facilities, do not represent the City, and do not represent the total tourism package that one experiences coming to Long Beach for a convention or vacationing. The CVB would recommend that the permanent facilities accommodate only the flights currently approved within the noise ordinance, and are not recommending larger permanent facilities or increased flights, but that the current temporary facilities are inadequate to handle the current passenger load coming through. JetBlue has also been a great partner, and stated that being in the business for 25 years, JetBlue has been the closest partnerships that he has seen. JetBlue has donated over \$15,000 in complimentary airline tickets, in order to bring clients into the City, the hotels have also donated an additional \$70,000 in overnight accommodations, dinners, banquets, etc. He stated that this is funding that the CVB does not have to bring customers into Long Beach. JetBlue has played an integral role in bringing people into the City, to be able to show them the City of Long Beach, and that the City far surpasses anywhere else for their conventions. JetBlue has also helped raise the recognition of Long Beach, with their rapid growth, and flights into many cities, Long Beach is now seen as a destination. The byproduct of that is JetBlue's pricing, as being an economy airline has helped keep prices low in the Southern California region. This pricing has helped make Long Beach competitive with other cities that do not have an economy airline, and that Long Beach is fortunate in having that economy airline, because when a meeting planner looks at the total package, hotel room rate, air rate, and their costs, Long Beach is a competitive total package because of the air component. He distributed a letter of recommendation, and stated that in addition to a permanent facility for the arrival and departures the CVB believes that the scope of the EIR should be limited to the environmental effects of the actual constructions of the buildings, parking structures and

related permanent facilities. The CVB agrees that the City of Long Beach should only allow flights outside the confines of the current approved noise ordinance between the City of Long Beach and the FAA, and believes that permanent improvements to the terminal facility should be there to support the 41 daily commercial flights, and the 25 commuter flights. In addition, that the parking ramp should be improved to accommodate the number of permitted flights, and that the vehicle parking facilities should be brought within the airport boundaries. He stated that any additional studies that are not part of the EIR, should not be allowed to delay the construction of the terminal improvements. He stated that the CVB believes that the economic impact that JetBlue has brought to the City in helping 1) keep the price low to bring people into the region and into the City and, 2) provide the service that is reflective of the service that people receive in the City, and stated that the City has won three awards this year from meeting planners as being one of the top destinations in the United States. The CVB believes that a permanent arrival and departure facility and keeping the scope of the EIR to within what was defined would help Long Beach keep its competitive edge, keep growing the economy and tourism sector and keep the 7,500 jobs.

Commissioner Soccio asked what types of pay are associated with the 7,500 jobs. Mr. Goodling stated that much of that is within minimum wage, with unaccounted earnings by way of tips. Commissioner Soccio asked what the CVB's position is on the size of the improvements. Mr. Goodling stated that that is not their area of expertise, what the CVB recommends is that which is able to handle the 41 daily commercial flights and the 25 commuter flights.

Commissioner Alton asked for input into the community impact associated with expanding the Airport and the potential that that expansion might have a detrimental effect on the ordinance. Mr. Goodling stated that the CVB is not advocating expansion, but that a permanent facility constructed. He stated that the flights are currently at their levels approved by the City of Long Beach and the FAA and the CVB is only asking is that a permanent facility that is representative of the quality of the rest of what the tourist experience in the City of Long Beach. Commissioner Alton asked if the three major awards that he mentioned the City has won over the last year, erode his position. Mr. Goodling stated that he believes that the awards enhances what the CVB strives to do, and believes that there is even more business to be garnered.

Commissioner Haubert asked if the \$13 million bed tax is from Transient Occupancy Tax (TOT) for the fiscal year, or calendar year figure. Mr. Goodling stated that it is a fiscal year figure, October 1, 2002 through September 30, 2003. Commissioner Haubert asked if the \$13 million was consistent with prior years. Mr. Goodling stated that the figure oscillates between \$11million to \$15 million, with an impact after 9/11. He stated that the CVB is rated on the room nights, and that in an overbuilt market, having an overbuild of convention business of 40%, between 2000-2004 there has been a 40% increase in exhibit space on the west coast, largely due to Las Vegas. He stated that the CVB focuses on when customers come into Long Beach that they can own the City and have an intimate experience, and a key component is their first impression. Commissioner Haubert asked if overbuilt means that there is more capacity than necessarily needed for convention business. Mr. Goodling concurred. Commissioner Haubert asked if the TOT had increased 24% from the fiscal ending 2002 to 2003. Mr. Goodling stated that was incorrect, but that it was the room night production, and that when the room nights are claimed on a calendar year, are spread out over future years. He stated that bookings for conventions are spread 3-5 years out and

beyond in some cases.

Commissioner Veady asked if the booked conventions are regional, national, drive-in, fly-in participants. Mr. Goodling stated that recently the conventions have been national, with many from the Washington D.C. area.

Commissioner Alton asked what is the potential market for visitors using the airport, given there were no ordinance prohibiting the number of flights. Mr. Goodling stated that the CVB has not analyzed what the saturation point might be. He stated that the occupancy levels of 70%, which have maintained steady, and in most cases are better than the region. He stated that that would leave a 30% opportunity.

Chairman Salk asked for questions from the audience for Mr. Goodling.

Mr. Jeff Huso asked if there were a true profit for the CVB after the City is done paying for city services and education required for the families of the employees that work the 7,500 jobs mentioned. He stated that 7,500 people and \$13 million in profits, equals \$1,500 per employee, and he asked if that \$1,500 is consumed by the families of the employees in city services, such as education. Mr. Goodling stated that the employees that work downtown and at the Airport, appreciate their jobs, and are happy doing what they do. He stated that people do not work in the hospitality, tourism business for the money it is not a high paying sector. He stated that people work in that type of business because they like working with people, serving people, and extending hospitality. He stated that it is a major economic impact to the City, and those that work in the industry, hope that it is respected because it is one that he enjoys.

Mr. Bill Pearl stated that the Board members of the CVB have been referred to and asked if those names could be stated and the companies that they represent, and to explain why it is an appropriate use of public money to take advocacy positions before the Commission, when the firms could do so themselves. Mr. Goodling stated that the investment of the \$13 million that comes back, is approximately \$3.7 million into the CVB, the rest is made up of membership dues. He stated that with that money the CVB generates, on average, an economic impact of over \$260 million. He stated that any City that wishes to have a hospitality/tourism sector must invest money into it and that is what the City of Long Beach has chosen to do. He stated that regarding the Board of Directors, 50% are comprised of hotel/general managers and 50% are community members. He stated that some of the Board Members are Kristy Ardizzzone, Mitch Rouse, Bill Simmons, and that he would mail Mr. Pearl a complete list of the Board Members. He stated that it was the total Board of Directors view that the Airport facilities are not to be expanded, but to meet the current needs that are there, which is a critical component for the City.

Mr. Larry Boland asked what percentage of hotel occupancy over the last 5 years comes from the Long Beach Airport. He stated that it is a rhetorical question because he believes that study has never been done. He asked how much support comes from the Long Beach Airport for tourism. He stated that during the mid-1990's, he calculated for 4 years of hotel occupancy which went up, and airline passengers that went down. He stated that there was an inverse correlation between flights and tourism, and hotel occupancy. He asked if a simple zip code study could be done to come up with an answer. He stated that he is sure JetBlue knows the answer, and that he would like to know what percentage of the hotel

occupancy is supported by the Long Beach Airport. Mr. Goodling stated that Mr. Boland is correct, there is no study that has been done, and would like to note that Anaheim was under a major expansion and Long Beach benefited from that because meeting planners would not take their meeting to a City with major construction ongoing.

Mr. Charles Griffin stated that he has been in the business of building airplanes as a career. He stated that Mr. Boland's father, who was legal counsel when the factory was built in Long Beach, inspired him. He stated that he was employed at Douglas in the 1950's because the City of Long Beach extended the runway, which allowed the building of the DC-8, DC-9, DC-10, MD-80, and the C-17. He noted that it was said that the CVB has worked closely with JetBlue, and he would like to influence and work with JetBlue to purchase local manufactured airplanes. He stated that he would like to see JetBlue invest into Boeing planes like the 717 which is quieter, with composite blades. He asked if the CVB could work with JetBlue to encourage them to buy local aircraft.

Mr. Hans Lees asked if Mr. Goodling lives in Long Beach. Mr. Goodling stated that he lives in Los Alamitos. Mr. Lees stated that then he does not know the impact the Airport has on people that live in the 4<sup>th</sup> and 8<sup>th</sup> Districts. Mr. Goodling stated that he does not live next to the Airport, and restated that the position the CVB has taken is not an expansion of flights, but just permanent facilities, not so the flights can be expanded but so that they can handle the guests that come in with the flights, which are not at the number that the City and the FAA have agreed to. Mr. Lees stated Mr. Goodling does not understand the impact of those 41 flights, and that he and his neighbors do. He asked if it were the right thing to do to have 41 flights and make money and have jobs on the back of the health of people that live in the flight path. Mr. Goodling stated again that the number of flights was already settled outside the court system with the FAA and the City of Long Beach. The CVB did not take a position on the number of flights. He stated that since that decision has been made, the temporary facilities that are now at the Airport, are not adequate to handle, and do not reflect positively on the City.

Mr. Garth Stever asked if there were a satisfaction study if people were unhappy versus happy with the Airport, or is it a subjective judgment that the current configuration is a poor presentation of Long Beach, or is there objective evidence in a study that shows that. Mr. Goodling stated that they have not conducted any such survey, their recommendation is based upon the Board of Directors that have operated businesses and conversations with people that plan meetings that come into the City.

Chairman Salk introduced the next presenter, JetBlue.

Ms. Kristy Ardizzone, Government and Community Affairs/Western Region for JetBlue thanked the Commission for the opportunity to make a presentation and show a short video. Ms. Ardizzone stated that there are a number of people present from JetBlue, from Properties/Redevelopment, Chief Pilot, Operations, Community Relations, and Corporate Planning available to answer any questions. Ms. Ardizzone introduced Mr. Robert Land, Vice-President of Government Affairs/Associate General Counsel for JetBlue to give the presentation.

Mr. Land distributed handouts and gave the JetBlue presentation. Mr. Land stated the following:

*In the spring of 2001, JetBlue decided to make Long Beach their west coast base of operations. Unlike most people's beliefs, JetBlue decided not to call Long Beach their hub. A hub in the airline industry is something that its outbound flights rely primarily on feed from its inbound flights, and the spokes merge, and people come and go. The reason for the distinction that JetBlue is not a hub but a base of operations is that a hub does very little benefit to the local community. People do not stop, do not get out, do not conduct commerce, just transit through. JetBlue's entire west coast base of operations is in Long Beach and it is based over 90% on local coming and going to and from Long Beach, O&D traffic. JetBlue thinks their airline is a bit different airline, a different mousetrap within the industry, that it explains some of the success JetBlue has had.*

*The achievement of profit after 6-months in operation, which is unheard of in most new start up businesses, and certainly in the airline industry. JetBlue has been profitable for the last 13 quarters, as recently as the first quarter, at a time when other airlines had gone into bankruptcy, and after receiving government loans, and especially since 9/11. The secret of their success is in the values, there are no big corporate mission statements, and treaties on the lunchroom walls, but hire, live by, and fire by five simple value; safety, caring, integrity, fun, and passion. JetBlue believes that the customers have picked up on that and that is something different in the airline industry, in addition to getting people from point A to point B with a low fare, and explains a lot of their success.*

*Mr. Goodling from the CVB talked earlier about the City's three T's, Tours, Trade, and Technology, JetBlue built the airline on the three P's, People, Performance and Prosperity, and simply put, JetBlue believe that if you hire the right people and deliver to them the right tools and pay, they will strive to deliver the best performance possible. If they do that, it will deliver prosperity, not only to the airline and to the crewmembers, but to the communities that JetBlue serves. The three P's have become part of the vernacular for JetBlue. The mission is to develop new permanent airport facilities that support the Long Beach ordinance and reflect well upon the community and the City, nothing more. These are consistent with most of the views of the residents of Long Beach and with the strategic plan the City had for 2010.*

*Some of the accomplishments JetBlue has experienced since beginning service at the end of August 2001 are that JetBlue believes they have brought a superior level of customer service, low fares, top quality service to major cities, a significant employment (tax) base, major financial investments, positive impact on local community, sustained investment in LGB. JetBlue has become the 13<sup>th</sup> largest local private employer in the City. While that number will grow somewhat because of the maximum slot usage of 22 daily flights, that number will probably not grow all that significantly. Jobs alone when, looking at the economic impact, especially of an airline and in the case of JetBlue's low fare airline, is not that there are 436 and maybe 450-500 people on the payroll, and it is not all the businesses that JetBlue does business with that make money because JetBlue purchases their goods and services, or that they make money tangentially related, hotels, taxis, etc., but JetBlue runs an operation at Long Beach with 22 daily flights with a year-round average load factor, load factor in industry terms means the percentage of the seats that are filled, JetBlue's average load factor is 90% year round. That reflects the high's in the summer at 96%-97%, and the lows when they are in the 80%. Each of those planes at an average 90% load factor on a 156 seat aircraft represents 150 economic engines coming and going to the City every*

day, per flight time 22 flights in and 22 flights out. Those 156 individual economic engines shop, eat, stay at hotels, buy gifts, and conduct commerce. That economic benefit is unquantifiable.

JetBlue has happily given out hundreds and hundreds of tickets in Long Beach to what they deem are worthy causes, charities, school functions, and non-profit organizations. The secret ingredient in JetBlue is the people. JetBlue has, throughout the country are caring and good decent people who care about what they do. Crewmembers are also out in the community, donating headphones for children to use with computers, at charity events, and recognizing Mr. Dave Barger, JetBlue's Chief Operating Officer, who received the Good Scout Award from the local chapter.

Despite best efforts and despite all things JetBlue has brought to the community that are not tangible, and beyond to measure an economic benefit, JetBlue knows that as a company based in Long Beach take very seriously a duty to be a good corporate citizen. When JetBlue launched in August 2001, there were only 2 flights a day, growing to the current cap of 22 daily flights. As those slots were filled, the number of violations of the noise curfew, and many were at the beginning as JetBlue was figuring new operations, the number of violations has gone down as the flight activity daily and yearly has gone up. JetBlue is proud of that trend. A team of City leaders visited JetBlue headquarters in New York to meet with the CEO and senior leadership team from operations, with a productive meeting hearing from the City, hearing their concerns, hearing the concerns of residents under the flight path, talked about the violations, and tried to educate the Airport Manager, Chris Kunze and his colleagues on how seriously JetBlue takes the violations, and the measures they are taking to mitigate those concerns, and the concerns of the City. Since that meeting, the violations have decreased precipitously. Some of the reasons JetBlue believes the violations have gone down, and it is not because JetBlue is flying fewer flights, because they are not, not because they are flying fewer people, because they are not, it is because JetBlue has made substantial monetary investments to reduce the curfew violations. They include JetBlue's spare aircraft in Long Beach; its only job is to protect the west coast operation, primarily Long Beach that is \$50 million. JetBlue opened up something called a crew base. A crew base in the airline industry means pilots and in-flight crew, flight attendants, generally don't live wherever they take off from, they are based somewhere which is the crew base. Before Long Beach, there was only a crew base in New York, so that flight attendants, crews could live all over the country, and commute to New York via JetBlue or another carrier, and start their job for a two-three day run and then fly home. The problem was that the FAA regulates strictly the number of hours flight attendants and pilots can fly and work on aircraft for safety reasons. In studying the curfew violations, JetBlue noticed that a lot of violations were happening, the spare plane was at Long Beach, but the crews were illegal, weather delays commuting from the east coast with delayed flights, crews would be in the planes for 3-4 hours in Washington or New York waiting to take off, and when they landed, they would be illegal for the next day, or illegal for their turn. By opening the crew base that eliminated what was the major causes of all the curfew violations. In addition, Chief Pilot, Charlie Andrews, and his colleagues have been passed with working carefully, closely, and regularly, not just with the control tower people in Long Beach, but with the entire control system within in southern California to find ways that JetBlue can route itself on how quickly it climbs out of Long Beach, how quickly it descends into Long Beach to minimize the noise in affected communities. Similarly, JetBlue has hired from the FAA, who has headed the air traffic control at Kennedy Airport, to do the exact same thing in New York on the other end. The

systems operations Vice-President who runs the schedule and the flights everyday, made clear that protecting the curfew in Long Beach is everything system operations does. When it is busted, it is not on purpose, and something JetBlue regrets and is out of their control. One of the reasons the violation numbers have gone down is not a monetary investment but JetBlue made a corporate decision that in order to protect the operation in Long Beach, JetBlue would purposely cause delays at other airports, and say X other JetBlue city will take a 3-4 hour delay, because the plane is needed to get to Long Beach before 10:00 p.m. JetBlue was able to do that by working uniquely with people like Charlie Andrews and his colleagues in New York, with the local FAA in New York.

Despite all efforts, JetBlue have heard concerns that it is not enough, and have heard of repercussions regarding property values, which JetBlue researched. JetBlue looked at property values a year before JetBlue launched its operations, and ended in October 2003. A comparison of Long Beach to southern California as a whole, that southern California had risen 36%, and Long Beach has risen 42% specifically in zip code 90815, City Council District 4 near Runway 30. Property values have not declined. First impressions in anything are critical and generally when there is a first impression, it cannot be undone. Most people that come into Long Beach Airport, especially jaded east coast people, love the airport, there are no jet ways, it is a throw back to the past, come in on a big modern jetliner, get off the plane, get baggage, taxi's are waiting, which is good until the trip home. The experience is then herded like cattle through chain link fence and tarps, which is the last impression. That last impression is why JetBlue thinks the Airport should fully reflect Long Beach's status as a gateway city, not just to the Long Beach area, but to the entire southern California region, especially compared to LAX, and what it is like to go through that airport since 9/11. JetBlue's position is that the current trailer park of facilities does not represent the City well in making impressions with travelers.

The airport is laid out in a way that barely functions today. There is no flow and there is not the best use of limited commercial airline space. At the configuration of A320's, and other airlines using what they use, the other airlines that fly into Long Beach all have bigger aircraft that they could use, and at the moment do not. There are also 25 commuter slots that are unused today. JetBlue has approximately two-third's of the commercial flights contributes roughly two-third's of revenues through its operations. An interesting thing about JetBlue is that they are a low fare airline, and low fare airlines are based on one thing, stimulating demand. JetBlue does not steal traffic. When Long Beach got all the passengers that it did not have a few years ago, LAX traffic did not correspondingly go down, John Wayne did not go down, Burbank did not go down, Ontario did not go down, JetBlue stimulated traffic. JetBlue is not looking through the revenue brought and concessions to do anything grand or posh in Long Beach. JetBlue is not looking to win design awards but do want something that is adequate.

JetBlue believes that if there were adequate concession space, that number of \$400,000 in generated revenue on a yearly basis, could conservatively be well north of \$1 million. JetBlue is basing that figure on their experience in airports throughout the country.

JetBlue believes that the Airport is an economic engine, that it creates many jobs directly and indirectly. JetBlue believes that the 436 crew members, who live, work, and shop in the City, all contribute to the fabric of the City. Long Beach is now at 41 flights, but tomorrow could go to 66 flights. The Airport is roughly at 3 million annual passengers, and JetBlue calculated



*that if the 25 commuter slots were being used with 70 seat commuter planes, the number would jump to an 83% load factor, with the annual passengers figure at 4.25 million. In Burbank, a relatively similar situated airport, there is three times as much holdroom space for not even twice as many passengers. The bag room under the large tent is where TSA does their security checks when JetBlue can get them their bags, as the belt stops to let them do their job, then they are loaded on the plane.*

*Low fares stimulate demand, and JetBlue can promise, unless they change their business model, as long as JetBlue is at Long Beach Airport with 22 flights a day, and there are no plans to leave, the planes will be 90% full. JetBlue does not have peaks. The Memorial Day peak, July 4<sup>th</sup> peak, the Thanksgiving and Christmas peak. For JetBlue the peak means filling from 9 out of 10 seats on a plane to filling 9.6 out of 10 on a plane. With JetBlue flying 22 A320's a day, if JetBlue were to up gage their service by going to a larger capacity aircraft, legally the airport would have to accommodate them under the slot ordinance, but the numbers could go from 4.1 million to 7 million. That could happen legally, tomorrow. The Airport could not handle that load.*

*JetBlue is not supporting increasing flights at Long Beach, JetBlue does not want to see the 41+25 slot rule changed. JetBlue was happy with 27 slots, and less happy with the current 22 slots, but it was a way to step up the commitment to the Airport in protecting the noise ordinance and helping defend a serious challenge by another airline and the FAA. JetBlue wants facilities that can handle the current operations. JetBlue knows their business, know the forecasts, know how many people expected to move through the Airport. JetBlue knows what the forecast is for the region, and the growth of southern California and based on that, JetBlue believes that the HNTB forecast, advocating 41,000 square feet of holdroom space for all carriers, beyond the security checkpoints, is the right number and JetBlue supports wholeheartedly. In closing, other airlines have come and gone in Long Beach before JetBlue. Those that have gone have initially been chased out in many cases, but as stated to the City on day one, 3 years ago, JetBlue is strongly committed to being a good partner, neighbor, and corporate citizen to the City of Long Beach.*

*JetBlue believes they have lived up to that. JetBlue broke ground this morning on a \$160 million dual facility in Orlando, Florida. It includes a three bay tech ops hangar and live TV hangar, and a 10 simulator bay campus for an internal learning environment called JetBlue University. The importance and success of how quickly that project got off the ground is due in large part to the 4<sup>th</sup> P, in referring to the 3 P's, of People Performance and Prosperity, and now Partnership. JetBlue does not look at people they work with as contractors, but business partners, working towards a mutual benefit. In the partnership formed 3 years ago with the City of Long Beach, JetBlue has lived up to every commitment ever made to the City of Long Beach, and has been done in a safe and prosperous way for both parties. As JetBlue has lived up to those commitments, they have come in the form of the crew becoming part and parcel of the very fabric of the community, bringing countless economic benefits to the community, directly and indirectly, helping to save the unique noise ordinance that protects the Airport from going above 41+25. JetBlue gave up what they felt they had lawful rights to, property rights to, last summer in protecting that noise ordinance, and avoiding a lawsuit that could have undone the slot ordinance. Finally by choosing a variety of markets, short haul and long haul, that JetBlue believes best address the desires of the citizens of Long Beach, that they have not missed a beat in continuing to meet the commitments made. Through this presentation, all that JetBlue is seeking in a measured and*

*responsible way, is for the City and the Airport through the guidance and recommendation of the Commission, to demonstrate to its own citizens, its own residents, its own tenants, including JetBlue, the same level of commitment by redeveloping the Airport Terminal space to do nothing more than accommodate the current ordinance.*

Mr. Land then showed a short video.

Commissioner Haubert asked if Mr. Land were an attorney for JetBlue. Mr. Land concurred that he was, his title is Vice President for Government Affairs and Associate General Counsel. Commissioner Haubert stated that a representative for JetBlue at a prior meeting, expressed that the ordinance might be susceptible to a challenge based on the commerce clause and asked Mr. Land to expand on that further. Mr. Land stated that he is a lawyer, but not a constitutional lawyer. He stated that he was involved with negotiations with the FAA nearly a year ago, and the FAA stated that if they had been brought in to review and mediate the Long Beach ordinance had it not been grandfathered, that they would have considered it an invalid ordinance. He stated that he does not want to comment on the commerce clause portion, but knows that the FAA has said that it is perhaps subject to challenge, and that it is not JetBlue's position to start that challenge. Commissioner Haubert asked that if the noise ordinance is susceptible to a challenge, would expanding the size of the terminal give incentive to an airline, perhaps an airline not yet operating, to challenge the ordinance once the terminal is built. Mr. Land stated that he cannot speculate on other airlines motives, but can say firmly that the hodgepodge of trailers cannot accommodate what is operating at the Airport today. If JetBlue expanded the size of their aircraft, if other airlines do the same, if the 25 commuter slots got filled tomorrow, he stated that he does not know what would happen. He stated that the City of Long Beach and the Airport has a responsibility to build today to accommodate what is happening today, but stated that he cannot speculate on what that would do tomorrow. He stated that as a point of fact, part of the FAA settlement, although it involves all the airlines currently operating at the Airport, which is a third to half of the active airline industry in this part of the country, part of the settlement the FAA sent to every legal office at every airline in America a letter saying, this is the proposed settlement that the FAA has reached with all parties after a year of negotiation, and before it is stamped as approved and issue a decision, asked them to speak up if there is any interest in going to the Long Beach Airport. No other airline expressed an interest.

Chairman Salk stated that Alaska Airlines came in. Mr. Land stated that Alaska Airlines was part of the settlement, they had requested slots, and that he was talking about the end of the settlement process, a year after Alaska Airlines had expressed an interest, at the end of the settlement, a few weeks before it went out, the FAA sent their letter to every airline, with no responses in the affirmative.

Commissioner Haubert asked that other airlines not commenting when they had the opportunity, legally prevent them from challenging the ordinance, would that be a legal waiver of a right? Mr. Land stated that he is not an FAA attorney, but they could be asked, and that he thinks that it would not be, and would suspect that they would have less standing, not being an airline at Long Beach, and not responding when they had the opportunity to respond. Commissioner Haubert asked if it is JetBlue's position that it is unlikely that an outsider would challenge because they had that opportunity, and didn't? or is it more likely that a challenge would come to someone who is now operating and wants more flights? Mr. Land stated that the carriers that signed the part of the settlement agreement would not

challenge the ordinance. Commissioner Haubert asked if they said that they would not challenge the ordinance in perpetuity, or is the agreement as long as the six–seven year slot reallocation plan be operative? Mr. Land stated that he did not recall and asked Mr. Kunze who said it was through 2008. Mr. Land stated that JetBlue is a party to that settlement and that they have no plans to challenge that, with or without that settlement, the purpose of their presentation is to express that there are inadequate facilities for that which it has today. Commissioner Haubert stated that talking about whether the facilities are adequate or not to accommodate current demand, he stated that he was looking at a schedule of flights, and that the Airport cannot tell an airline when to schedule arrivals and departures, but it would seem that the airlines group them at different times. He stated that if a group of airlines wanted to reduce the peak hours, could they voluntarily shift slot times around? Mr. Land stated that the slots at Long Beach are not time sensitive. He stated that speaking for JetBlue only, they base scheduling decisions carefully because of the tremendous investment. He stated that they wouldn't schedule a plane at that cost at the wrong time when people don't want to fly it. JetBlue has expert schedule planners that run the business of JetBlue, and the business model and business needs, and JetBlue is fundamentally different from an airline like American that is a hub and spoke system, which is different than an Alaska Airline that runs a north and south operation. Mr. Land stated that they base them on individual needs. He stated that it is against the law if the airlines talked about that suggestion.

Commissioner Alton stated that he wants to understand and deal with the problem presented to the Commission. He stated that a reasonable person could see that there are some issues, and that they want to solve all the problems, because there are many stakeholders associated with the Airport. He stated that the airlines, the traveling public, the people who have businesses at the airport, and the people that reside around the airport. He stated that he believes the goal is to help fix the problems of JetBlue and fix as many other problems as they can, and especially not make any worse problems by doing what JetBlue thinks they need. He stated that he wanted to be sure that he transmit empathy. He asked that it was stated that JetBlue has stood up to a number of commitments that JetBlue had made, and asked what are the commitments or assurances the City has made to JetBlue? Mr. Land stated that he was being rhetorical; no agreement was made in writing or verbally in any meeting. He stated that they are approaching it in the tense in which he spoke of, and did not mean to mislead, but to say that this the reality of what JetBlue has done. Whether it is 22 JetBlue flights or, as planned, 27 flights, now having 22 flights, with more American flights and Alaska flights, whatever the distribution is, the Airport is at 41 slots, maximum capacity under law, not people capacity, but flight capacity. He stated that no one could have envisioned the day JetBlue came to Long Beach that three years from then there would be talk about where will they put people, or that 9/11 would have happened that makes security such a rigorous event at an airport, not just for the customer experience, but for the space needed. He stated that TSA needs offices, and the machines need square footage. He stated that he was referring to everything that was promised to City Council members, everything that was promised to the Airport, that was dreamed of to do in Long Beach, JetBlue has done. He stated that everything that JetBlue has been confronted with in their view as they have grown in Long Beach, noise violations, curfew violations, time of day scheduling too close to the curfew, that JetBlue has done everything they think they can, as it has developed, to mitigate negative consequences. He stated that JetBlue does not schedule 10 flights at a time, but schedules the most that they can when the people want to travel. He stated that there was never any agreement or promise of any kind. Commissioner

Alton stated that for the right to have 22 slots, JetBlue has performed the actions and made the commitments previously stated. Mr. Land concurred. Commissioner Alton asked what could JetBlue live with, with respect to square footage at the terminal concessions. He stated that JetBlue has presented a recommendation largely in agreement with the consultant study, but how low is low. Mr. Land stated that the consultant number is in the ballpark for what JetBlue projects to do what they want to do. He stated that there is no right or wrong answer, and clearly they are functioning in a crowded space now, not thriving. JetBlue built an entire brand, marketed an entire company, went public on the NASDAQ, and is the image and brand it is today nationwide and worldwide because of customer service. He stated that any airline could have low fares, they come and go, but low fares with customer service is something that has not been seen in America. He stated that the answer is in how a room is laid out, what is the customer experience. He stated that JetBlue took a sort of "gallup" poll of 500 Long Beach passengers every day, in email and writing and consistently, the Long Beach Airport rates as the worst customer experience. He stated that he is not saying that their operation is not functioning, but that it is not adequate for what JetBlue wants to deliver.

Mr. Nesbitt, Director of Redevelopment for JetBlue Airways, stated that JetBlue does function at the current facilities, and that the calculations that went into the HNTB presentation given previously involve arrival times and load factors. He stated that HNTB, through an industry standard generated a general square footage of holdroom space that identifies circulation, gate counters, seating areas, restroom areas, and 41,000 square foot for a holdroom would be adequate for a facility in Long Beach. Mr. Nesbitt stated that JetBlue's position is that it would be more beneficial if it were a permanent facility.

Commissioner Temple stated that he believes that most everyone's concern is the ordinance relating to the 41 flights and asked if the facilities are not built to accommodate 41 flights, not considering the 25 commuter flights, would the City be in violation of the ordinance and that it could be challenged. Mr. Land stated that he is unsure, but that Airports have a duty to provide reasonable accommodations. He stated that if the 25 commuter flights appeared tomorrow, that Airport staff would have to work with the carriers to find every gap and hole in everyone's schedule to reasonably accommodate everyone that lawfully has a right to operate at the Airport. He stated that even after all those efforts, there is physically no space. Commissioner Temple asked if there are any safety concerns now and if so, what are they. Mr. Land stated that JetBlue does not believe that they are violating or operating on any rim of any safety edge. He stated that they would delay flights, and take a curfew violation if something is not safe, they would not do it. He stated that if anything appeared at the airport to be unsafe, whether a small pothole, a crack in a floorboard, the station personnel work with Airport staff and everyone cooperates to get things done.

Mr. Kunze stated that he believes that the Airport has an obligation to reasonably accommodate any commuter slots, and that they cannot prescribe when they would fly. He stated that if a commuter wanted to come in and fly 25 slots during the peak, the City would have to give reasonable access to the capacity that is there, which may mean that some airlines would not be able to fly during that time or have to wait for a parking position or have people waiting in long lines out of the holdrooms. He stated that the Airport does not have the legal ability to come up with allocating slots throughout the day, or saying to one airline, that they can have counter space, and a new airline come in to not have counter space.

Commissioner Luskin asked if TSA could adequately screen the baggage as the facility stands currently. Mr. Land stated that he is not a spokesman for TSA, but that they have an obligation under law to do their job and that baggage screening takes place in many forms, some that is top secret. He stated that if they could not do their job that Congress has mandated, that they would ask the Airport to find them space to do their job. He stated that he hopes they are doing their job.

Vice-Chair Fox stated that there is a closely contested run off race for City Council in the 8<sup>th</sup> District, and that during a debate a flat statement was made to a packed elementary school audience, that in a closed door session between the City of Long Beach and JetBlue Airways, within the last year, the City has promised a new terminal to JetBlue. He stated that he was extremely upset and that he mentioned that incident to several people and was told that it is a rumor that is prevalent. Chairman Salk asked who made the statement. Vice-Chair Fox said that it was Rae Gabelich, and that he would like to have it addressed by JetBlue and the City in front of the public. Mr. Land stated that as a JetBlue Officer, that he was in no such meeting, and has heard no such commitment. He deferred to colleagues in Long Beach who also attend meetings. Mr. Alex Wilcox from JetBlue stated that he is not aware of any City officials power to make that type of promise, to make promises that can't be kept, and that he knows the City well enough to know the process of building a terminal, and is unsure of anyone in the City that could make such a promise, and that he is not privy or aware of any promise made in the last 12 months, or in the last 4 years. Mr. Land stated that between Mr. Alex Wilcox and himself that it would cover any meetings that would happen.

Rae Gabelich stated that she did make the statement, and the reason that she did is that when she sat before JetBlue and the Airport Area Business Counsel for an interview, it was stated to her by Mr. Wilcox and three other JetBlue employees, *"do you not believe that we are entitled to receive what we were promised when we came here"* and that when she said who made that promise, no one answered. She stated that in another meeting, Mr. Wilcox stated that it would be divulged at this Commission meeting. She stated that if she can't take what JetBlue representatives say, then who can she believe. She stated that she does not believe the existing Council.

Chairman Salk asked the audience to restrain from applauding in the interest of carrying on the dialogue properly. He asked the audience to please restrain, that applause is uncalled for. Commissioner Alton stated point of order that he believed there was a round of applause during a JetBlue oriented presentation that the Chair made no such statement about. Commissioner Alton stated that in the interest of fairness, understanding that he is the Chair, and should manage the meeting, but not play favorites. Chairman Salk stated that the comments are noted, and that he believes them to be wrong.

Mr. Wilcox stated that the interview that Ms. Gabelich referred to that he has no recollection of that meeting, and the most recent meeting which was two weeks ago, which was a regularly scheduled LBHUSH2 meeting, and had the conversation that Ms. Gabelich referred to, and he stated that there is no one, in his opinion, not even the Mayor, that could make that kind of promise as it is subject to City Council action. He stated that anyone who says that they can make a promise on behalf of the City Council, has powers that supersede anything he is aware of. He stated that no one can make such a promise. He stated that one thing that it may be referring to is a letter received from the then City Manager, Henry

Taboada, prior to commencement of service, approximately June 2001, in which the City, in an effort to secure JetBlue's promise to fly to Long Beach, the City Manager made some representations that he would work with the City Council and with JetBlue to achieve certain goals including construction of the parking garage, including the freeway sign on the 405, north of the Lakewood Exit, and 6 or 7 bullets in the letter. He stated that if that is called a promise to work with JetBlue then there was a promise by Henry Taboada to attempt to help build the terminal. He stated that he cannot think of any other City official that has made any sort of promise. Mr. Land stated that the Vice-Chair had asked to hear JetBlue's side of the statement and that he believes they have, and to also hear from the City. He stated that speaking on behalf of JetBlue, as a corporate official, regardless of what may or may not have been said, he is telling the Commission and the Public that he knows of no promise or deal, but knows of a need today to accommodate them that is better than a trailer park sitting on the ramp at Long Beach Airport. Vice-Chair Fox stated that he believes his question had been answered as to whether there were any closed door understandings of any kind and that the clear answer is no.

Mr. Kunze stated that from the early 1990's when the Airport was down to four (4) airline flights, the Airport had the ability to do 41 flights under the ordinance plus the 25 commuter flights. He stated that a consultant on board generated a concept for the terminal. He stated that the existing terminal at the time was designed for 15 daily flights. He stated that there was inadequate capacity to accommodate 41 +25. He stated that they were told that by many airlines that they tried get attention to, and that parking was a major issue. He stated that as part of the marketing materials the concept of what they were planning, and that the Commission is aware, they had 60% drawings for a unitary one hold room enhancement in the late 1990's. He stated that when they did get JetBlue, they got the operating experience, and that is when they looked at the two holdroom concept and ended up going to the City Council, and going to the EIR to determine the scope. He stated that in those marketing materials, it shows that the Airport was planning on terminal enhancements to match the 41 flights. He stated that that was not a promise to provide that, but it did explain what the goal was to reasonably accommodate the 41 + 25 flights.

Commissioner Alton asked if the marketing presentation had been provided to anyone in the community that might be affected by the enhancements. He stated that one of the key elements that has woven itself through the entire proceedings is that the community was not brought in. He stated that as there is a move forward, not to do planning behind the scenes or start making marketing presentations to outside entities when there are citizens that deserve to understand where they think they are going. Mr. Kunze stated that the City went through a two-year process developing a strategic plan, and in that strategic plan it gave the Airport Manager direction to maximize the use of the Airport, but only within the existing noise rules. That is specifically what staff was doing. He stated that it was an open and public process, and that there was room to have public comment. Commissioner Alton stated that on the same page that the City tells Mr. Kunze to do that, it also says to protect quality of life in the neighborhoods. He stated that he believes the Airport Manager has both of those mandates, which tends to be the issue that is a problem with in the Commission. He stated that there are two positions to protect, the viability of the Airport in terms of a viable commercial entity that brings dollars to the City, and maintaining quality of life, and that maintaining quality of life is as important and requires as much advance discussion, and bringing in affected parties.

Commissioner Clever asked that if the accommodations are not adequate for the 25 commuter flights, would it open up a challenge by those carriers and be forced to get more flights in, which now cannot be accommodated because there are no parking spaces currently on the ramp, and for the terminal facilities? Mr. Land stated that the inquiry was less part of the FAA negotiation that he was apart of, and is more than a matter of federal regulation under the grant assurance. He stated that every airport in America that receives FAA funding for lighting or runway enhancements, etc., part of the agreement that that airport and the FAA have, aside from any airline, is to meet certain requirements, and reasonable accommodation is there. He stated that the Airport can market and promote within the bounds, but due to federal regulators that supersede the authority of the Airport Manager has, he is unsure if the airport authority can protect the quality of life. He stated that the runways are where they are, and believes that the airport authority has been terrific at, in bringing things to the attention of JetBlue. He stated that the Airport Manager has no legal authority to address those quality of life issues as he cannot tell the airlines when to schedule or what aircraft to fly. He stated that JetBlue as a company wants to be a part of the community and a partner with the community, take those concerns seriously and do everything they can with their business model to address them.

Mr. Kunze stated that a handout was distributed showing a compendium of questions and answers to legal counsel, Mr. Mike Mais, and outside counsel Mr. Mike Gatzke. Staff reviewed the hundreds of pages of minutes over the past six months, and took out all the questions and answers, and there were many relevant to this specific question. He stated that his understanding of legal counsel's assessment is that even if an airport operator has a noise ordinance grandfathered under ANCA, if the operator did something facility-wise so that the permitted activity could not be accommodated, that could possibly be challengeable. He stated that a case in point is the Burbank Airport where they are trying to establish a curfew and could not do it, and thought that they could close the terminal building, the FAA then stepped in. He stated that is one clear case, and stated that Mr. Mike Gatzke states in the handout, that he knows of no case in the United States in history, where an airport operator has been forced to provide new or additional facilities.

Commissioner Haubert asked if the handout referred to by Mr. Kunze was prepared by legal counsel or prepared by staff trying to summarize what legal counsel had said previously. Mr. Kunze stated that it is both. Staff did the initial preparation, and was reviewed by legal counsel. Commissioner Haubert stated that he recalls some of the statements saying that there is no federal law mandating that the City adds on terminal space, there is no FAA rule or regulation, and the FAA has not yet responded whether added space is needed. He stated that when asking that direct question, if nothing is done, will it jeopardize the ordinance, and is reflected in a summary of what Mr. Gatzke said, *"In his opinion, if the City decided to do nothing relative to terminal improvements, it would not make the ordinance more vulnerable"*. He stated that the City pays Mr. Gatzke well for his advice, and that the Commission, at some level needs to rely on that advice. He stated that people are confusing the terms in talking about grant assurances that requires reasonable action in attempting to accommodate the people operating at the Airport. He stated that if they act unreasonably, that they would not be complying with the grant assurances. He stated that it is a separate item to talk about land use at the Airport. He stated that the Airport was built at a particular time, JetBlue has said that they came to Long Beach knowing the size of the Airport, according to JetBlue, they were offered nothing, they were made no promises, they came in with eyes wide open, and according to legal counsel from the City, the legal position vis-à-vis

the ordinance is in no way harmed if they don't add on. He stated that he is waiting for someone to explain how adding on to the terminals might improve the legal chances. He stated that he has heard the opposite, that if the terminal is expanded, that may encourage someone to try to get in and increase the amount of flights, because of the increased capacity. He stated that he is looking for someone to say that there is no risk to expanding the Airport, but that he only hears that the ordinance is susceptible under a type of grant assurances or the ordinance is susceptible to attack under the commerce clause. He stated that he would want to make a nice big comfortable terminal, if that were possible without jeopardizing the ordinance.

Mr. Robert Taylor asked why JetBlue is not flying the 25 commuter flights, or why are not other airline flying them now. Are airlines turning away because the facilities are woefully inadequate. Mr. Land stated that JetBlue does not fly the commuter slots because they only operate one aircraft type, the AirBus A-320, and it is far above the weight limit of the commuter slot. He stated that the new aircraft for next year, E-190, also surpasses the commuter slot weight restriction, therefore with the current fleet plan and future plans, they are not eligible for the commuter slots. He stated that he does not know why other airlines are not using them. He stated that in the past year other airlines have flown commuter slots.

An unidentified speaker stated that it is her understanding that the ordinance was a result of a court case settled based on the commerce clause. She stated that if that were true, could it be said that the ordinance is not fallible, and could not be sued again. Commissioner Haubert stated that his understanding is that it was a due process challenge, that there was an appeal lacking in the Long Beach ordinance, and the Long Beach ordinance did not have a sever ability clause that would allow a judge to sever out a part of the ordinance, the judge had to invalidate the entire ordinance. He stated that as a result of a federal judge invalidating the entire ordinance, there was a settlement, and that was what was approved by the court. He stated that an ordinance can be susceptible to challenge on a number of different grounds, there could be vague parts of the ordinance, or that restrain interstate commerce. He stated that to his knowledge, there has never been a case compelling a proprietor of an airport to expand it. He stated that if the City were to be sued, it would be the ordinance, no one can sue based on failure to expand the terminal to accommodate more flights, or to make it nicer, bigger, or more comfortable. He stated that by making it nicer, bigger, and more comfortable, that they are putting a target on their backs. The speaker asked who could sue the City. Commissioner Haubert stated that the answer from legal counsel, Mr. Gatzke, was no one.

Mr. Lees thanked Vice-Chair Fox for bringing the subject of secret meetings out in the open, and that it was a resounding no that there were no secret meetings between JetBlue and the City of Long Beach. He stated that should something like this happen, that they could fall back on the minutes of this meeting. He asked JetBlue if an aircraft crashes, would they take full responsibility for lives lost and property damage. Mr. Land stated again that there were no secret anything involving JetBlue and the City. He stated that if there were an incident with a JetBlue aircraft, and it was found that JetBlue were responsible, they would of course accept responsibility, however, he would not like to think of such tragic circumstances. Mr. Lees stated that he also would not like to think of that, but that it puts life in danger, including his. He asked about the holdroom square footage. Mr. Griffith from JetBlue responded saying that HNTB, the consultant developed the 41,000 square foot holdroom based on the industry standard for flights. He stated that JetBlue is simply agreeing with that number.



Mr. Dan Freleaux stated that he has lived in Long Beach under the landing pattern for 50 years. He stated that on a handout, the chart shows that violations are down 83%, which seems to coordinate about the same time that these meetings began taking place and citizens began voicing concern about the expansion. He stated that JetBlue has done a good job of reducing the violations. He also asked about scheduling flights, and that scheduling depends on many things, and stated that he has not had the luxury of selecting a time to fly, that he must fly the available flight. He stated that if the flights were spread out throughout the day, the accommodations in the terminal could be much better used. Mr. Land stated that he agrees, and that the New York route, which are eight flights, are spread from 7:00 a.m. – 9:40 p.m. He stated that the problem is if they were their only eight slots, it would accomplish the suggestion, however, layering on other cities that have similar demands is when it becomes a problem. Mr. Freleaux asked how does one aircraft on the ground help meet curfews. Mr. Land stated that if there were no spare aircraft, and that weather was bad blocking eastern traffic, and a flight is scheduled to leave at 9:40 p.m. for JFK hypothetically, that plane does not live here, that 9:40 p.m. departure may have been an 8:40 p.m. arrival from the eastern region. He stated that if the JFK plane that makes up the inbound that then turns to the outbound runs more than late, that would violate the curfew. He stated that they can launch the spare aircraft with a spare crew sitting ready, and when that aircraft lands late, it does not have to turn into curfew time, it will then become the spare aircraft.

Mr. Griffin stated that LAX is planning to rebuild their terminal. Where will the flights go when they rebuild their terminal? He stated that they will probably be putting pressure to fly from (on) Long Beach. He stated that when the Long Beach terminal is rebuilt, the flights will have to go somewhere, he would like to ask if it would be practicable for the City of Long Beach to purchase El Toro. He stated that the money is available from the FAA by grant. The City of Long Beach as an airport operator can ask for a grant to expand the airport. He stated that you expand the airport by buying more property. He stated that Long Beach can buy property with LAX and purchase El Toro for 20 cents on the dollar, because grants will pay 80% of it. He asked if JetBlue could work with the City of Long Beach and with LAX to purchase El Toro. Mr. Land stated that JetBlue would not be working with anyone to purchase El Toro.

Mr. Garth Stever stated that JetBlue has shown pictures of dissatisfaction with the terminal by passengers, yet JetBlue is one of the few airlines making money, that Long Beach Airport is one of the few Airports in the area to show substantial growth, that JetBlue has won nearly every top honor he has seen. He asked what detrimental affect has (the facilities) had on JetBlue or on the City of Long Beach. Mr. Land stated that JetBlue is a profitable airline. He stated that using LAX, is not a pleasurable experience, it's mammoth, it takes 10 minutes to get from the gates to the bags, another half hour to get the bags, another half hour for a rental car. BY comparison, Long Beach is nirvana. He stated that it is not perfect, but within in the bounds of respecting the flight limits, the pictures are truth, the knee-to-knee customers are truths. He stated that that is not how JetBlue wants to treat their customers, and he believes that most people in the City would agree that that is now how they want to welcome people to the City.

Ms. Julie Leishman, stated that she flew on an off peak day, a Wednesday, the terminal was very crowded, and that she sees the need for the terminal to be expanded. She asked that

according to a report by the Press-Telegram on March 30, 2004, that the FAA says that the facility must be expanded by 2020. She asked that if the City does not do that, will the ordinance be challenged by the FAA. Mr. Kunze stated that this subject was covered at the April 15<sup>th</sup> meeting. He stated that the FAA has been saying that same thing for nearly 20 years, that there will be inadequate airport capacity in the future, and that something needs to be done, and that is a fact. He stated that it is also a fact that that particular forecast was a top down forecast that looked at general social economic factors, and did not look at specific airports in terms of what the regulations were. He stated that the FAA has no ability to operate airports, or dictate to a local entity such as Long Beach Airport especially given the fact that they have noted formally that the Airport is grandfathered under the Airport Noise and Capacity Act. He stated that SCAG has also been doing a 20-25 year forecast also, and have said that all airports in the region need to be expanded, some will be, some won't. He stated that the ordinance says that it won't be expanded.

Mr. Joe Sopo asked if Mr. Land knows the zip code of the passengers that use JetBlue. Mr. Land said he did not, but that the marketing department does do tracking of zip codes. Mr. Sopo stated that he would like to know where the passengers track from. Mr. Land stated that he would check to see if it were proprietary information but he would check. Mr. Sopo stated that JetBlue has said that no one could envision the number of flights that they would have at the present time and the success that JetBlue has had at the Airport. Mr. Land stated that he did not say the number of flights, that JetBlue knew the number of flights applied for was 27 and they knew that they would have 27. Mr. Sopo said that they happened so quickly. Mr. Land stated that JetBlue ramped up the flights quicker than planned due to the challenges to the ordinance. Mr. Sopo asked that if the terminal were to be built, the terminal, the baggage, the security, and everything that JetBlue would like to see, and if there were another long recession, would JetBlue be able to leave Long Beach. Mr. Land stated that regardless of political parties, many would argue that we have just been through one of the worst recessions since the depression. He stated that JetBlue thrived through that environment.

Kathryn Weinhold stated that she lives in the arrival path. She stated that the noise abatement is a problem, and that it may be from Mr. Kunze not effectively managing the Airport properly. She stated that she lived in Newport Beach for 14 years and they never broke the curfew, a flight did not leave until after 6 am and did not leave or come in after 10pm, and that is the manager's responsibility. Mr. Kunze stated that the ordinance in place is a result of 13 years of litigation in federal courts, and the Airport explicitly and exactly enforces the ordinance. He stated that the City Prosecutor has come in and through a consent decree has taken additional measures. He stated that John Wayne Airport went through a similar process, and in their ordinance, they have a higher fine level. He stated that one issue that was tried in court, was a proposal by the City to significantly increase the fines over and above what they were in 1981 and that was explicitly at the federal court level overturned as being more onerous than was reasonable. Mr. Kunze stated that he may or may not do a good job, he believes that he does a good job enforcing the ordinance, and that the City Prosecutor has stepped forward and taken additional measures as legally permissible.

Mr. Denish Mandalia stated that he has been a Long Beach resident for 20 years. He stated that his concern is the 25 commuter slots. He stated that JetBlue had made a purchase for the 100-seaters. He asked if there were an option for JetBlue to choose a 70-seater and fill

the commuter slots, and did they decide not to do that in light of the communities concerns, or an economic concern. Mr. Land stated that JetBlue could have purchased any aircraft that they wanted, and that decision was driven by what is the best aircraft for JetBlue's business plan, the majority of business being on the east coast. He stated that it had nothing to do with anything in Long Beach.

Mr. Paul Gutierrez stated that he is surprised that a company like JetBlue would plan to come into an airport planning to put up 27 flights without having a bigger terminal. He asked how is it possible that JetBlue would do that without some kind of promise or an inkling that a bigger terminal would be provided down the line. Mr. Land stated, for the 11<sup>th</sup> time, that JetBlue never got a promise that they would get anything. He stated that they did have an inkling, which was that, as the Airport has represented at this meeting, and as they had represented to carriers long before JetBlue, was as JetBlue grew in a controlled growth fashion, which is JetBlue's business model, the Airport would grow with them. He stated that JetBlue is not looking for the Taj Mahal, but for adequate space to accommodate their flights. He stated that JetBlue had to ramp up service quicker than expected, because of another airline bringing aggressive action to challenge the ordinance, that JetBlue gave up 5 slots for to protect.

Mr. Baba, stated that he is a proud employee of JetBlue Airways, and that he has resided in New York for 22 years. He stated that when he was asked to move to Long Beach he was unhappy. He stated now he loves Long Beach, he lives here and spends his money here. Chairman Salk asked if there was no question, if Mr. Baba would save his comments until after the last presentation.

An unidentified speaker asked that on the JetBlue proposal that it was suggested a slightly larger post security concession size, and would like to understand the rationale. Mr. Land stated that post security concessions of any kind are more preferable to JetBlue's customers that pre security. Mr. Nesbitt from JetBlue stated that they are going through a concession redevelopment at JFK. He stated that they are 40% through that development, and that they promote their customers to bring food on. He stated that with the experience they have at JFK, that there is revenue available from concessions and it is their recommendation that they maximize the square footage for concessions. He stated that the average concession for domestic enplaned passenger for food is approximately \$2.25 a passenger. He stated that JetBlue's customers are spending in excess of \$5 per person, and that revenue stream pays the concessionaire and a percentage goes back to the port authority of New York and New Jersey as revenue. JetBlue is recommending that the square footage be maximized, that will allow the City to realize revenues from those concessions. Mr. Kunze stated that in terms of concession revenue, the Airport is currently out to bid for a concession operator, which will determine what percentage the Airport Enterprise Fund gets. He stated that the General Fund would get sales tax, and the rest of the revenue would go to the Airport Enterprise Fund. He stated that 40% of the Airport revenue goes to the City's General Fund for acquisition of different services, Police, Fire, City Council, etc.

Chairman Salk introduced the next presented LBHUSH2.

Mr. Mike Kowal stated that he would like to sensitize the Commission to the residents concerns, and shed history and light on why they are upset. He stated that they are not upset with JetBlue or any of the other operators at the Airport. He stated that they know they

are businesses and that they must do what they must do to survive, however, they must do what they must do to protect their homes and property. Mr. Kowal gave the following report:

*I'm going to speak to you about process. The process on how we got to where we are today in expanding the airport with inadequate public input, poor disclosure and no public buy-in. Openness, communication, public awareness and input are vital to any project. Residents' health, safety and welfare must always come first. It comes before business.*

*The process of building and expanding the airport without a master plan or public notice puts us here tonight. We're not going to go away until a full and complete plan, vision, and all existing and all potential impacts are revealed.*

*Some history and examples of why residents have lost confidence in the process.*

*Residents were told and promised that by allowing runway 30 to be lengthened it would only be used to facilitate Douglas in building and delivering their products. No commercial flights, no impact, just wanted to keep jobs in Long Beach. True or not, that's the story and a small part of why airport impacted residents don't trust the City or the process! Because we own the airport, we thought we could control its impact, WRONG! After a lengthily court battle we went from 15 impacting flights to the current noise ordinance, 41 + 25. Most of those sitting on the council at this time have promised the public and stated no more than 41 flights. Well, as we are now hearing its now 66, it can and most likely will exceed that number. If you're having trouble relating to this, it's not too different that what the public was told about the Alameda Corridor removing trucks off the 710, only to find out later that we misunderstood what we were told.*

*Trust is crucial in all aspects of government. In Long Beach from this point forward, without trust, without full disclosure and without public involvement from the beginning, projects are going to become more difficult to get done. For the Airport the process must include a "Full and complete airport EIR" it must include the potential impacts not only from the on-site expansion but the "impact zone", a five to ten mile radius around the airport which identifies the full impacts of noise, pollution, traffic, health, and potential for loss of property values. These impacts must be added to the already known impacts from the Port, the Freeways, refineries and other near-by polluters. This EIR must include a Human Health Risk Assessment!*

*Public officials must always tell residents the truth, the whole story. The public must be aware of conditions that they are subject to; they must be able to protect themselves. Recent examples of untold airport incidents include a rumor about an aircraft door falling into a California Heights front yard. Calls were made by a resident to find if the event occurred. Airport officials said they knew of nothing, never heard about it, no records. The FAA and LB Police said the same thing. No record, don't know. After hearing about this 4-5 weeks ago, I called the Airport, leaving a long and detailed message: no return call. I called the FAA, spoke with both local LB offices then the LA office, no records. Called the NLB Police Station several times and finally found there was a call from a resident reporting that a helicopter door had fallen into a neighbors yard. Police were dispatched; a helicopter door was recovered and taken to the Long Beach Airport Safety Office. Did you know about this? Did anyone tell you? The Press Telegram was called but chose not to investigate and report. Interesting note, according to my public records request, our Airport Department has no*

*written record of this taking place. It think it should!*

*Trust, disclosure, honesty, openness and public awareness must precede any project planned not only for this airport but citywide.*

*Openness is becoming a familiar word in our city, residents want to know. As projects are being planned citywide all impacts, Quality of Life issues, all health and safety concerns must be fully addressed before they are allowed.*

*Information, truth, and facts...some are easy to get, some not so easy. Another example. Residents and this Commission have been told that a Comprehensive Human Health Risk Assessment is being done by the city. This is a fact, but it's not the whole truth. For your information, so you will be able to determine what is good information and what is not you need to ask and you need to receive accurate information. You need to be aware that the Airport Health Risk Assessment voted on by council two years ago and later amended to include the port, freeway and the rest of the city cannot represent and be used to evaluate what needs to be determined with Airport Expansion Impacts. The city manager with council's approval gave this important job to the Long Beach Health Department which issued a RFP limiting the "Compressive" HHRA to a meager \$35K doesn't get anything, only existing data, nothing new or comprehensive. He said it was more likely that more firms responded no than yes in saying they could do the work.*

I requested a public records search receiving all data from all city agencies. I saw the three responses and another from a UCLA environmental specialists who stated he found the RFP, EIR as "problematic". I later found on my own that at least one other firm had responded to the Health Department, a response somehow not disclosed in the public records request. This 5-page letter is clear and concise, stating among other things, the likelihood that companies may offer to conduct the HRA, but they urge Department of Health to scrutinize offers carefully as the budget limited scope cannot be done adequately. I consider this information important. It makes me wonder what else was responded to that was not revealed. Another reason trust and confidence in our system no longer exists. I wonder if this Commission was told the whole truth about responses to this RFP? If not, I think you need to ask and know before making any recommendations to the council. This commission can't make the mistake of relying on bad, incomplete, or limited information.

It's been said that I have a "Chip on my Shoulder" I agree. I do. Me, and about 20K other airport impacted citizens have chips on our shoulders. If you're interested in knocking them off... recommend a full and a complete EIR that evaluates not only on site improvements but the "impact zone", which includes a five to ten mile radius around the airport. An EIR, which identifies the full impact of noise, pollution, traffic, health, and potential for loss of property value. This EIR must include a Human Health Risk Assessment! That is what the residents want, that's what residents deserve before one more inch is added!

Information and education is what HUSH is all about. Our job has been hard; actually it's been harder than hard. And unlike yours, there is no end in sight. Don't misunderstand what I'm saying, I respect the fact you were willing to accept this task from City Council. However, in going forward and deciding what the EIR needs to contain, don't forget the public and the process. Rae Gabelich will be presenting a formal presentation shortly. Creditable information and recommendations that hopefully you will find reasonable in regards to further

airport expansion. Hopefully, you will take whatever time you need to make this very important recommendation to the City Council.

Two other important items, The Press Telegram recently reported that CSULB would be doing a study on the economic benefits of increasing passenger traffic to the City of Long Beach. I suspect this will be a “good news item” and reported around the time the council is wrestling with the EIR. If the report is to be considered honest and accurate it should include the impacts and costs associated to health care, public safety and potential property loss due to airport operations.

I ask that you all review the Scoping comments submitted by the public during that period. The public response was huge even though the first meeting limited direct public input. You might consider holding another public scoping meeting with broad public notice to allow those unable to speak at the first meeting. Everyone deserves to have his or her concerns and comments placed into the public record. Thank you for allowing me to speak. I hope you understand and demonstrate the sensitivity necessary to restore public trust. You have a great opportunity, and I feel change in the air!

I’ve often thought how we like to name great projects, public structures, bridges and successful developments after those who made them happen. Who should we name the Cracker-box apartments after? The Old Downtown Mall? The Aquarium? The Alameda Corridor? The Airport?

Officials need to listen, need to encourage public input, and they need to do it before beginning projects. Just think where we would be if the council only took ½ of Mr. Murphy’s concerns to heart about budget items, maybe we wouldn’t be 100+ million in debt now. What if they would have listened to Dan Rosenberg about not building those cracker box units all over town? What if indeed.

Ms. Rae Gabelich stated that she would be presenting on behalf of LBHUSH2. She first stated that she wanted to comment about the comment from Vice-Chair Fox. She stated that she is involved in a campaign, and that they are not at this meeting to discuss the campaign, and has nothing to do with the campaign. She stated that the presentation was planned; the process was planned last year. She asked Vice-Chair Fox that if he had a concern that he would have brought it forward at last evening’s meeting.

Ms. Gabelich gave the presentation as follows, a copy of the Powerpoint was provided:

*LBHUSH2 came together following the agreement between the City and JetBlue. That agreement was done behind closed doors. In May of 2001, it was announced to the public, that JetBlue was coming to town. We had no input, we had no say so about how that was going to happen. So we began meeting one night in the park, concert in the park, a group said what will we do? We don’t want the Airport to grow out, What is happening? There is no communication from Council members, from our City. We reunited and developed HUSH2. We hired an attorney and started raising money. The attorney went on her hunt, we began to establish the 501C4 so that we had a legal body to operate from, and were told by our attorney at the end of August, that we were too late to do anything about the temporary facility. The City knew that we wanted to be apart of this process, but instead of opening up this issue for discussion with our community, they didn’t,, they kept moving*

*forward and moving forward. We were too late; we couldn't stop the temporary structure. We kept working at it and kept growing our numbers. Now we are here today and I am going to make a presentation that I hope everybody can live with. This is not about JetBlue, this is about the process that the City decided to use to grow the Airport that we are in their backyard. So what can we do to work together? Again, not about JetBlue, about the process.*

*LBHUSH2, our mission statement, which is identified in our Articles of Incorporation, states*  
*-To educate the citizens on environmental, social and health impacts of policies and actions proposed by public officials or private entities on land use, transportation and redevelopment efforts impacting our neighborhoods*

*It's not just about the Airport. It's about LNG, it's about 710 freeway, it's about any major growth in this City that has any impact on the citizens.*

*-LBHUSH2 will advocate specific solutions to achieve the neighborhood enhancement goals outlined in the Long Beach 2010 Strategic Plan. This advocacy will include active participation in legislative forums, public debates, and judicial remedies.*

*Membership*

- Core – 500*
- Supporting – 1800*

*What is the City's mandate? If we refer to the strategic plan as Mr. Kunze did earlier, it says on page 22 under economic goals to develop a land use policy for the Airport that maximizes the economic return to the community. On the same page it says it is also to develop a plan for business development that ensures the quality of life in the neighborhoods. Balance, we need the balance. How will we get there if we don't communicate?. Both must be supported and addressed in this EIR. In the Long Beach 2010 Strategic Plan, there are four mentions of airport, there are eight mentions of quality of life, and there are 77 mentions of neighborhood. I would say the balance is on our side, or the focus is our side, but the City has not responded in that way.*

*What is the EIR scope? In the existing EIR you were instructed that it would only identify the new construction elements, that it would only be about the terminal building, not the activity that would or could take place out of that building. It's incremental, there is no master plan context. The proposed number of flights are limited to the current Airport Noise Ordinance. So, what happens if we build it out and we get challenged and end up with more?. We have to look at the big picture. They looked at the big picture in 1985 when they did it, and in that EIR it states that our Airport is capable of handling 144 flights a day. We want to know what is the Airports big picture that terminal expansion is a component of. When we went before the City Council to appeal a decision about a parking structure, it really wasn't about a parking lot, it was about notifying the public on all the developments that have been approved by our City Council that could one day become an expansion portion of the Airport and Airport activity.*

*What should the EIR scope be? We believe the EIR scope must address not only new terminal and parking construction, but also the impact of all Airport improvement projects completed, in-work, and proposed since the last EIR in 1985. Essentially, we must re-*

*baseline the Airport's Environmental Impact. The EIR scope must address environmental impacts generated by the maximum capacity utilization of expanded airport infrastructure, not just the number of flights authorized by current airport noise ordinance. How many flights are possible if an expanded airport were just as crowded as Long Beach is today? We build it to the 104,000 square foot, what does that mean? If we found ourselves in a position whether it be the 66 flights, or the additional flights because the planes are quieter because our ordinance has been challenged, what would it look like if the new terminal were just as crowded as it is today.*

*What is the neighborhood response? There is concern, realization that Airport commercial interests overrule neighborhood quality of life issues. Significant concern. There is uncertainty, Airport expansion will motivate a challenge to the noise ordinance, resulting in more flights. We talk about that all the time, every time we get together. Action, there are over 1,500 lawn signs that say "No Airport Expansion", our Council does not like that. And there is accountability, a Council District representative has been turned out of office.*

*What does LBHUSH2 propose? Do not expand or enhance the Long Beach Airport one square foot until a community impact is comprehensively addressed. Perform a full human health risk assessment – in the EIR. We have brought with us today the Oakland Airport Model, another document that is 6" thick that you can review. That was mandated by the courts to include a Human Health Risk Assessment. We don't want to go that route, we want it in there now, lets work together. We want to recommend that a neighborhood impact mitigation policy be adopted by the City Council. What does that mean? Establish criteria and thresholds for schools, churches and homes. What identifies the impact. What are the limits on impact? The mitigation elements might include insulation, windows, air conditioning, or buy out. Look at LAX, they are still buying out homes, they just closed down their first school. Are we going to be looking at that? Let us know, let's put the picture out there for everybody to determine what they will do with their lives and their homes. Do not expand or enhance the Airport one square foot until the loss of noise ordinance risk is defined by our Council. The probability and ability to defend challenges. What would the resulting flight levels be if we lost that noise ordinance? At this point, I am going to make a recommendation that is not in the presentation. We would like to suggest that 10% of all Airport revenue be placed in a litigation fund should our noise ordinance ever be challenged, so that we can't say that we can't afford to defend our neighbors. JetBlue, the FAA settlement and SCAG have all presented perceived threats to the noise ordinance, whether they meant it or not, the words were spoken. If prior conditions are met and we expand the Long Beach Airport, we would like the following;*

*-Airlines should fund all new construction. They can receive rent credits that will return their investment with forfeiture of investment if the airline discontinue service. JetBlue only has to give a 30-day notice to leave Long Beach, what's our guarantee? What happens if we put the money up and we can't attract other airlines, resulting back to where we were with JetAmerica or any other start up airlines. Not that I think that will happen, but let's say there is a better offer on the table, let's say that terminal three that's now empty at LAX would be a very nice location for them, or San Diego, or Burbank. We want to be assured that if they are here to stay, they are really here to stay. Put the money on the table is what we are saying. Secondly to that, and with the difficult budget times that we are looking at in the City, we want no General Fund exposure. We do not want to have to be responsible for the debt created by an outside source. We would like to recommend two phase construction program, phase 1, build only one holdroom structure to support the baseline of 41*



*commercial flights, limit the aircraft gates to 11 with one spare/off schedule aircraft parking space, so that the overnight plane, the extra plane to avoid late night flights is available. After one year, review the operations and justify the needs for additional commercial or commuter terminal space prior to proceeding to phase 2. Phase 2, commuter flights holdroom will be planned at the same time that the initial terminal structure is planned. But, not built until the agreements are concluded with airlines to fund new construction and the slots have been allocated. If we expand the Airport, we want to recommend that the concession area layout be designed to prohibit future use as a holdroom or gate area. We would like to recommend that TSA and airline office space be located away from terminal structures. We suggest integrating with the parking structure design, a stand-alone building on Douglas Drive where JetBlue is now located, or the Kilroy Center location.*

*And last but not least, how do we improve the working relationship between the community and City Hall? Agree that Airport commercial interests and neighborhood quality of life interests are both critical success factors. Our neighborhoods are at great risk if this Airport grows out. We have to be responsible. Our elected officials have to be responsible for that. There has to be a plan. Agree that Long Beach Airport is a community impacted historic airport, and that greater emphasis will be given to factors that mitigate terminal growth. Conservation, not super sized focus. Recognize and reward sacrifice and contributions made to Long Beach's economic viability by citizens living under the flight paths. Suggestions our Atlantic & Bellflower corridor revitalization, or school infrastructure modernization. Bring community leadership to the table for Long Beach Airport design and implementation. Include the community in the process, it is very important, and as Mike Kowal said, we are not going away, it may not be under our watch, but we designed HUSH to remain active and be an entity to be used by the citizens who have concerns about developments in our City. Please do the right thing, make the right recommendations. It is unfortunate that this process was given to you, because in the end, it is the City Council that will make a decision. I would like to show something that I received at the last meeting. This is something that Palm Springs is doing. They are doing an update to their 1994 master plan. When we talk about master plan we get sour faces, Palm Springs is doing it, and doing it quite well. What I found interesting is that 90% of the funding for eligible projects comes from, in increasing the size of the Airport, comes from FAA grant. The funding levels are not guaranteed, and are based on dollars available through the airport improvement program. Where does the other 10% come from? There are a lot of questions to be answered, we hope that you present it back to the City Council with the understanding that we want out health and our welfare and our children's homes, and the future of our City, to be addressed just as completely as JetBlue wants to be able to serve the traveling public.*

Chairman Salk stated that he had asked Ms. Gabelich to make specific proposal, and that she succeeded with her presentation.

Commissioner Soccio asked what would be the advantages in having a master plan, what would a master plan accomplish here. Ms. Gabelich stated that it can be called anything, but what HUSH is asking for, since they realized they would have to do something, is bring the model to the table, show the community what is to be built, don't bring a model that was begun to be created in 1995 by HNTB who is not just a consultant, but are developers, they build airports, so there may be a conflict there. She stated that a master plan is bring the design process to the table, include the community in that process and determine how the community will live with the growth of the Airport, and don't do it piece meal. The City has

already given approval for four hotels around the Airport. She stated that let's look at the whole design, let's start master planning our City. Commissioner Soccio asked if the master plan should involve the whole City, because if only the Airport is considered, it has certain limitations. Ms. Gabelich stated that is not her definition, and stated that her definition of master plan, and what they do at LAX, or Burbank, or Palm Springs may be entirely different, and maybe it's the verbiage. She stated that she believes that it needs to bring to the community, what's the plan, here's the plan, what do we have to do to make it work for the community, for everybody, not just for the benefit of the Airport.

Commissioner Haubert stated that one of the statements made was critical of the temporary terminals placed about two years ago at the facilities, and then one of the recommendations was similar to the temporary terminal and that was to have one of the tenants pay for the build out and receive rent credits over a period of time. He stated that he is unaware of anyone proposing that for the permanent facilities, and would be interested to know if JetBlue would be interested in a long-term commitment. He stated that in the case of the temporary, they paid everything upfront, it was \$1 million, and for the next 36 months they would get rent credit, and at the end of 3 years they had paid rent equal to \$1 million. He stated that he has no idea what the permanent terminal would cost, and if JetBlue has any response to whether they would consider paying for everything upfront.

Mr. Alex Wilcox stated that JetBlue would consider anything, as demonstrated by building out the trailers on their nickel, unorthodox, but they did that to demonstrate that JetBlue is here for good. He stated that JetBlue would consider a partnership, no equity participation in such a project. He stated that he is not in a position to answer that yea or nay, and would have to look at the terms of any particular deal, but unlike other carriers, JetBlue would have a receptive ear. Commissioner Haubert asked if anyone knows what the proposed terminals would cost.

Mr. Kunze stated that the prior concept that was nothing more than a concept, would have been somewhere in the area of \$10 million. He stated that until there is an actual scope, which is why there have been meetings for the past six months, and do some preliminary design and costing out, there will not be a good figure. He stated that the parking structure was in the low \$30 million, typically that is financed differently than a terminal building would be. Mr. Nesbitt from JetBlue stated that he could provide some reference. He stated that they are in the process of developing a new terminal at JFK with the port authority of New York/New Jersey. He stated that they have a historic building in front of the facility that they will be building, so they are familiar with historic buildings. He stated that the overall project cost exceeding \$700 million. He stated that the facility is exceeding 600,000 square foot, includes all roads, a parking garage, and a connection to the air train station. Commissioner Haubert recapped that it was 600,000 square feet. Mr. Nesbitt stated that was operational space within the terminal. Chairman Salk asked how many passengers would that handle. Mr. Nesbitt stated it would be about 18 million passengers.

Commissioner Alton stated that as he listened to the exchange regarding the master plan between Commissioner Soccio and Ms. Gabelich, he feels that they are going down the same path as before in terms of not wanting to ask the question, because they are afraid of the answer. He stated that he believes that is a key area that they need to work hard to change the culture with, that they can't be afraid of the answer, they have to deal from facts, and fully express knowledge. He stated that if an airport master plan gives both the airport

and the citizens, and other entities possibly not in the best interest in terms of motives, then so be it. He stated that it is important to know exactly what will be done, and what all the pieces look like and how they fit together.

Mr. Neil Phoutrides stated that talking about a master plan, what about the Boeing property, and what are they going to be doing with that land. He stated that his questions might bear something on Ms. Gabelich's plan and what the concerns are from his neighbors. If they increase the flights, how will that impact the proposed residential district? If a new terminal is built what is the guarantee that the flights will not increase? He stated that most people he talks to don't care what goes on at the Airport, but they do not want more aircraft flying overhead.

Dennis Lord stated that Mr. Kowal noted in his presentation that the runway was expanded or lengthened some years ago, and wondered when that was done. Commissioner Alton stated that it was between 1950 –1953. Mr. Lord asked if it was due to aircraft that needed a longer runway at the time. Mr. Kowal stated the urban legend is that it was due to Douglas's request to build bigger aircraft and deliver them. He stated that the promise was, that there would never be any commercial flights do to the expansion of a long runway. Mr. Lord stated that he could understand that in the post world war 2 era, post Korean war era, when there was a lot of aircraft being built, it was a different time, a different date and the world changes. He stated that we have a long runway now that can accommodate more aircraft. He stated that he does not disagree with Mr. Kowal on the 710 analogy with doing away with the trucks on the freeway. Mr. Kowal stated that his point was made that that was the communities perception, that is what he read in the papers and that is what was thought would happen. Mr. Lord stated that he understands the focus of the EIR, and Mr. Kowal's statement about a loss in property values. He stated that his property is not losing value. He stated that he is not directly under Runway 30, but on a rainy wet day, he gets aircraft 500 feet over his front yard. He stated that safety is a big factor for him. Mr. Kowal stated that when the market changes and the economy goes down, and there is supply again, that those areas that are impacted will be the least desirable areas for new buyers.

Ms. Julie Leishman asked is it correct to say that LBHUSH2 group, which is against airport expansion and expansion of the terminal, is now willing to have it expanded if the airline pays for it. Ms. Gabelich stated that that was not totally a true statement. She stated that what they want is to identify the Human Health Risk Assessment, and they want it specific to the Airport. She stated that along with the Health Risk Assessment, it was requested that there be an economic study on the impact of airport growth around residential areas. She stated that neither of those documents have been provided. She stated that the bottom line is that the City government made this deal without their input. She stated that the temporary structures were built to last for 10 years, and there will have to be replaced by something. She stated that does she does not want to grow the Airport, but she does want to address the impact, and to tell residents what is the impact on your home, on your health, on your property values, and let everyone make their own decisions. Ms. Leishman asked what is the solution. Ms. Gabelich stated that the community will have to stay vigilant. She stated that the little City of Long Beach with a half-million people, and an airport that is a jewel, is in the middle of residential communities. She stated that they want to know what that means for families, for the schools, for the homes, and when that is on the table, then talk about design, and look at what everyone can live with, look at what the impacts will be, how far out will the footprint go, and then upon agreement of that, then is JetBlue willing to step up and pay for

the terminal construction. She stated that she is not ready to sit down at the table to negotiate a deal with anybody.

Mr. Griffin asked if HUSH2 considered making Long Beach Airport and the surrounding community within the 60 CNEL contour, making that a redevelopment zone, whereby all the property taxes paid by the concessionaires and the Airport airlines, and their rents, going to those properties within that redevelopment zone, or within that contour, to give rebates, sound insulation, buying out, etc. Ms. Gabelich stated that HUSH 2 has not control over what area is considered for redevelopment.

An unidentified speaker (later identified as T. Bone) stated that when homes were purchased, they were purchased by an airport, and got a good price because it was by an airport. Why do you buy a home by an airport then complain about noise? He asked is the building of a new terminal, an expansion at all, or is it just accommodating the growth that is here? He stated that there are laws prohibiting growth to 41+25 is in place. He asked why are they questioning the growth, there is no growth, the growth is here, and all they are trying to do is accommodate the people using the Airport. Ms. Gabelich stated that the community has two protections for the homeowners, the size of the building, and the noise ordinance, and not if it will be challenged but when it will be challenged, and they want to know what does that mean. The speaker asked why does she think it will be challenged, it's a law. Ms. Gabelich stated that it fell out of court order in January 2001. It is not a protection, it is a City noise ordinance. The speaker stated that she is calling the new terminal an expansion. Ms. Gabelich stated that if they are growing it three times the size, that she calls that an expansion. The speaker asked how much bigger now with the trailers. Ms. Gabelich stated that the bottom line is that they want to maintain the quality of life that all have enjoyed.

Commissioner Alton stated that he is a member of LBHUSH2 and that he wears two hats, and at times tries to wear them at the same time. He stated that the comment about buying next to an airport is answered by saying that everyone in the room lives next to a street, and if this City, or another entity, decides to build a cross town freeway and use a specific street as the vehicle for that freeway, it would be the same argument, you bought next to a street, what is the problem.

Commissioner Soccio asked if the speaker would identify himself. He stated that his name was T. Bone and that he does work for JetBlue, but that those were his own opinions. Commissioner Soccio stated that she moved to the neighborhood 29 years ago, and more than anyone in the room, she is the most impacted by takeoffs at Long Beach Airport. She stated that when she moved here there were 11 flights for years. She stated that at some point the City Council passed an ordinance that there would be no more than 15 flights in 1981. She stated that that is the concern, they were not protected then, and don't feel protected now. Mr. T. Bone stated that then 30 years of growth there should be no more than 15 flights. He stated that transportation is key to the life of a community. JetBlue has demonstrated that time and time again. Commissioner Soccio stated that the comment was that we bought by an airport and 29 years ago she did not know that there was an airport near.

Mr. Larry Boland asked to give some history; he stated people continue to say that the Airport started in 1927 but it didn't. He stated that it was on 500 acres when the military came in, paved it, and some FBO's came in. In 1940, Montana Land Company gave over

2,000 acres to the City of Long Beach for a dollar. That was to facilitate the building of the Donald Douglas plant. In order to build a DC-3 to supply the English fighting Germany in 1940. In 1940, they built Runway 30, at 3,000 ft. long, they built Runway 25R, they built Runway 16L, and 16R. All of those runways dumped in or took off into an existing R1 zoned neighborhood. Runway 30 in 1940 dumped onto Bixby Knolls and Los Cerritos. Runway 25R dumped onto Cherry and Carson where houses were built in 1938, before the runways. When people say the Airport was there first, they are only 20% right. After the war, measure A came along, Douglas wanted to build the DC-8 and needed a 10,000 foot runway. Somewhere in the 1950's, they made a crook in Lakewood Blvd, built the tunnels, and extended Runway 30 to 10,000 feet again dumping out over neighborhoods that were there before the runway was built. He stated that the City promised the people in Bixby Knolls and Los Cerritos verbally, not in writing, that only Douglas Aircraft would use Runway 30. Commercial airlines landed on Runway 30 and departed on Runway 25L. In the late 1960's there was a bond issue to extend Runway 25L and the private pilots and the Airport association beat that measure. In 1973, PSA landed a 727 and took off on Runway 30, and that is when the war started.

Mr. Boland gave the following presentation:

*Long Beach Airport is no question, a no frills Airport. It is a no frills Airport, it is a stodgy old building that is not consistent with any of the new airports around the country. When JetBlue and America West came, that is what they got, that is what they saw, that is what they new they had. Can reasonable people come to an agreement of what needs to be done with expansion? Personally, I am against any permanent expansion. When people say that they are in trailers, our school children are in trailers. The kids that attend the schools that are impacted by the arrival and departure are in trailers and the FAA has not spent one dime to sound proof those trailers. No one has mentioned the kids. Why are we going to spend money to build a \$30 million parking garage, a \$10 million façade change, and the kids are still in trailers and bungalows. We want to take the bungalows out from the Airport so that people from Orange County, who are JetBlue's customers, can arrive at a pretty place. It's a no frills Airport, what do they expect. The other side is that you have to be reasonable and accommodate the people that are there. So why not build more trailers, if the kids can learn in trailers and have to stop when airplanes go by, they why not the Airport. With regard to the parking garage, there is a 200,000 hangar building, why can't that be used as a parking garage? Why do commuters have to go into the main terminal, could the commuters use a terminal on maybe Runway 16L? What percent of JetBlue's arriving passengers book a hotel room in Long Beach? That question has not been answered. They only do the surveys that support their position.*

Commissioner Luskin stated that if they decide to build the commuter terminal, please tell the Council not to have the Airport Commission do the EIR study for it.

Mr. Dennis Lord stated that he is a member of the L.A. County Aviation Commission, and a voting resident of the 8<sup>th</sup> District. Mr. Lord gave the following presentation:

*We know the issues here and have heard the concerns, and seen the videos. Looking at the larger picture of changing California it is routed in growth. My own company, Southern California Gas Company, of which I do governmental affairs, reached a milestone of five million meters in our serving territory four years ago. Four years later, we have 5.4 million and growing. Notwithstanding that the City of Long Beach and others have based their*

economy on tourism, there is simply the increased demand for travel for the growing population. Long Beach Airport was finally recognized as a business opportunity, and the airlines have returned and are succeeding. This is being driven by market demand, and the strain on existing capacity at LAX, Burbank and John Wayne. The issues with El Toro earlier, notwithstanding, there are several votes there that would prohibit buying that property for any aviation purposes. I clearly understand the impact on the neighborhoods and my own neighbors, as I am a pilot and often fly my high performance aircraft out of Long Beach Airport. Knowing that I can manage the noise my aircraft generates, I make conscious and safe decisions on how to mitigate that noise. In my case, it is right turns at Cherry Avenue when able, and engine power reductions at the end of the runway, safe conditions permitting. The airlines understand this too, for example, as a matter of policy JetBlue moved to auto brake landings only. What does that mean, it means that under strict safety criteria this eliminates additional noise on landing in consideration of the surrounding area. Approaches and departures are managed by using newer quieter aircraft. I am one of those that listens to them. The numbers speak for themselves as JetBlue has nearly 60% of the flights yet less than 50% of the noise budget. Tonight we are dealing with changing the terminal, and the many concerns about that stimulating an expansion of flights. As I noted earlier, expansion is all around us, and these forces translate into more services in many markets, not just aviation. Providing a terminal to meet the needs of the Airport given the current limitations on the number of flights is simply the right thing to do. The public will benefit, the City will benefit, and the people of Long Beach will benefit other than those who feel their lives are being negatively impacted. I want to say, that I do not discount the opponents of this project, but commit my own energies as a County Commissioner to address why older aircraft are routinely used by some carriers, and why a development project is proposed to add residential units near an airport. The subject before you deserves a conscious decision given all the facts, including the regional implications of growth and service requirements. My challenge to you is to do the right thing and I recommend approval of this terminal upgrade, not for comfort, but in the name of decency and respect for the security of the traveling public. In addition, the City should exercise leadership, sometimes sorely lacking, in seeking solutions to noise, legal challenges, and other impacts on the local residents. There is no value to the second place finisher of the Long Beach Grand Prix, nor is there any value in a second rate airport in Long Beach. We can be better, and we can do it together.

Mr. Dave Neary, Chairman of the Long Beach Area Chamber of Commerce, stated that the current permanent facilities at the Long Beach Airport were designed to accommodate only 15 airline flights. The last permanent addition was done over 20 years ago. Temporary facilities which include tents, trailers, and mobile office structures currently in place are inconvenient and do not adequately provide the level of facilities needed for the traveling public, the citizens of Long Beach, or promote the image of California's fifth largest City. They are unsustainable for long term use. The Long Beach Area Chamber of Commerce supports the construction of permanent terminal facilities at the Long Beach Airport commensurate with the current minimum flight permitted passenger levels as set for by ordinance which supports 41 commercial air carrier and 25 commuter flights. We have always stated that, we do not support an expansion of the flights, and that all improvements should be done with that in mind. Mr. Neary stated that it is important to continue to attend these meetings and continue to be heard. The Chamber is the largest Chamber from San Diego to San Francisco, with 1,800 members, which are just the companies, that does not include the employees with them, situated throughout the entire community. He stated that the Airport is a first impression gateway to our City, and believes it is extremely important that

people coming into the City get a feel for the wonderful presence that the City has become, especially over the last decade. A reference was made that no one would want a freeway coming down their street, to the same extent, we don't want to limit traffic by creating potholes or levels within the street., there needs to be a certain level of decency that doesn't exist at the Airport today. We need to bring it up to that level to accommodate the current flight allocation and nothing more.

Mr. Jeff Huso stated he is a life time resident and that he has lived in Long Beach since before there were no flights near his home, except a flight to Catalina. He stated that there is already too much traffic, too many people. He stated that it is up to people to stop this expansion of more and more people. He stated that the only people that want the expansion are the people that will make a buck off it. He does not like all the traffic, it is dangerous, and he is tired of all the people trying to make money off it. The scale is a concern. He stated that JetBlue reported that there are 150 people on a flight and 20 flights, which comes to 3,000 people a day, and comparing that to a small strip mall, the size of Home Depot with a McDonalds next to it. Dividing the 3,000 people and divide it by 12 hours a day, that would be 250 people a hour, which is about the amount of people that go through a strip mall. Residents are putting up with all the noise and the threat. Chairman Salk asked if this was the same presentation that Mr. Huso gave to the Commission at a previous meeting. He stated that it is not, that he is responding to make the Commission aware of the scale of the matter.

Mr. Kevin McAchren stated he is representing the Long Beach Airport Association and said that a formal presentation has been given previously, but that they wanted to reiterate their support for the terminal facilities commensurate with the size to safely, conveniently, and efficiently process the number of passengers using the Long Beach Airport. He stated that speaking as a citizen of Long Beach, and having lived in Long Beach all his life, born and raised, attended Long Beach schools, bought a home in Long Beach, not in the flight pattern, and started a business 32 years ago at the Long Beach Airport. If the Committee cannot come to a decision, that his recommendation would be to go to a ballot issue, as he believes that the people of Long Beach, when presented with a moderate program of improvement to the terminal facilities, there is no question that it would win, hands down. He stated that it is being held hostage by a small group of people, and that we have gone through six months of hearings, and speaking as a private citizen, to move it forward, it is the right thing to do, and it makes sense.

Dennish Mandalia stated that he does not have a prepared statement but that he wanted to voice his support for Long Beach Airport and for the great job that JetBlue has been doing. He stated that they are the best thing that has happened to Long Beach since the Queen Mary. He stated that there are impassioned people who are impacted by the Airport, and that there are positives and negatives, and believe that he is part of a silent majority that is in favor of building the facilities to accommodate the current use of the Airport.

Mr. Lees stated that what makes him angry is that many people state that there was an airport when you moved in. He stated that the answer is quite simple, he moved to Long Beach in 1960, 44 years ago, and knew that there was an airport, but he moved in because he was promised by the City that there would be no commercial flights. He stated that in 1962 there were four flights, then eight, fifteen, all the way to 41. He knew about the airport, but did not know that the City would deceive him for 40 years. The Airport is not the best

thing that has happened to Long Beach, that he listens to takeoffs every night, and the noise is invading his privacy. His opinion is that everyone has a right to move anywhere, with an airport, or without an airport and have the right to the same quality of life that anyone else has. His response to the people saying that you new there was an airport there when you moved in, and stated that they have been deceived for 40 years by the City. He stated that all the statements boils down to benefits, revenues, profit, versus quality of life, and that he stands for quality of life and will fight for it.

Ms. Rae Gabelich stated that as the Committee is going through their process, that when they make the recommendations for the EIR to consider that the last full EIR done in 1985 was done with a focus on a different number of people. She stated that she was surprised that in identifying the capacity of the Airport it was 3.8 million, and that Mr. Kunze had identified that now it is 4.1 million to 4.3 million, and then JetBlue stated that if they change their aircraft that that figure could go to 7 million. She stated that there is much more to look at than just the terminal building, what is the impact on the community that should be your focus.

Mr. Griffin stated that the suggestion about an initiative is appropriate since the State has the control of land use, and that on that initiative that the people are asked to agree to say an X number of gates. He stated that if the number of gates are to be increased, that it would have to come back to the people for another initiative. He stated that he wants to encourage the use of quiet aircraft, because that is the quality of life is the single event noise that interferes with speech, the use of a patio, and that wakes you up from sleeping. He stated that the Commission should encourage the City to purchase El Toro, the funds are available. He stated that it is appropriate to purchase that property, because Long Beach needs it for the growth that has been talked about. He stated that El Toro has 100,000 acres of open preserved land that provides for an approach/departure corridor that is 3 miles wide from the county line to the ocean. He stated that it is available to be purchase at 20 cents on the dollar.

Chairman Salk noted that there is a letter to be read from a Council district. Mr. Kunze stated that it would be included in the minutes. Ms. Diggs-Jackson stated that it was sent to Airport staff from the 4<sup>th</sup> District and 5<sup>th</sup> District and to have it read into the minutes. The letter reads as follows:

5/25/2004

Councilman Dennis Carroll,

*Councilman Carroll, I would like to say, as a family of frequent flyers (to JFK, NY) Long Beach Airport deserves credit as the major asset to the City of Long Beach, all the others you read about are only runners up. I was born in Long Beach – have lived in all areas of the City (Westside, Bixby, Los Altos, South of Conant and College Park). JetBlue is the provider of convenient and economical service to New York – and they took a chance that it could work in Long Beach – I have never been disappointed with JetBlue. (I also live in the flight path) in College Park – and my business was close to the flight path (Wardlow Rd) just west of the airport. Please make improvements necessary to retain this irreplaceable asset to the City. Respectfully, Patrick M. Coleman, Dorothy J. Coleman, Cecilia A. Coleman, 6891 E. 11<sup>th</sup> Street, Long Beach, CA 90815 PH. 493-3457*



The meeting was adjourned at 10:42 p.m.

Respectfully submitted,  
Dottie Jones  
Airport Secretary  
Long Beach Airport

**Approved**